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SERVICE DATE – JULY 22, 2016

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. MCF 21069

ACADEMY BUS, LLC, AND CORPORATE COACHES, INC.—PURCHASE OF CERTAIN
ASSETS OF CORPORATE COACHES, INC.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving and Authorizing Finance Transaction.

SUMMARY: On June 23, 2016, Academy Bus, LLC (Florida) (Academy), a motor carrier of passengers, and Corporate Coaches, Inc. (Corporate Coaches), also a motor carrier of passengers, jointly filed an application under 49 U.S.C. § 14303 for Academy to acquire certain properties of Corporate Coaches. The Board is tentatively approving and authorizing the transaction, and, if no opposing comments are timely filed, this notice will be the final Board action. Persons wishing to oppose the application must follow the rules at 49 C.F.R. §§ 1182.5 and 1182.8.

DATES: Comments must be filed by September 6, 2016. The applicants may file a reply by September 20, 2016. If no opposing comments are filed by September 6, 2016, this notice shall be effective on September 7, 2016.

ADDRESSES: Send an original and 10 copies of any comments referring to Docket No. MCF 21069 to: Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, send one copy of comments to Academy's representatives: Peter A. Pfohl and Bradford J. Kelley, Slover and Loftus, LLP, 1224 Seventeenth Street, N.W., Washington, DC 20036.

FOR FURTHER INFORMATION CONTACT: Nathaniel Bawcombe (202) 245-0376. Federal Information Relay Service (FIRS) for the hearing impaired: 1-800-877-8339.

SUPPLEMENTARY INFORMATION: Academy is a motor carrier licensed by the Federal Motor Carrier Safety Administration (MC-646780) and provides charter bus operations in Florida. The applicants state that Academy is owned by Academy Bus (Florida) EST Trust (Academy Trust), a non-carrier controlled by Francis Tedesco, sole trustee. According to the applicants, Franmar Leasing, LLC (Franmar) is a non-carrier controlled by the Tedesco Family ESB Trust (Tedesco Trust), also a non-carrier, exclusively engaged in the ownership and leasing

of passenger motor coaches.¹ The applicants state that Corporate Coaches, a licensed motor carrier of passengers (MC-539370), presently operates charter motor coach transportation services and black car sedan and limo services primarily in the state of Florida. The applicants further state that Andy Bardar is the shareholder, President, and Chief Executive Officer of Corporate Coaches.

Corporate Coaches proposes to sell all the assets used in its motor coach passenger transportation business pursuant to an Asset Purchase Agreement (APA), dated May 16, 2016. According to the applicants, this transaction is a result of the business determination made by the owners of Corporate Coaches to permanently withdraw from the motor coach transportation business and direct all of its future efforts and activities to the company's black car sedan and limo services. Under the terms of the APA, the applicants state, Franmar will acquire the motor coach assets of Corporate Coaches, and Academy will acquire Corporate Coaches' motor coach customer lists, charter contracts, telephone numbers, website, charter contract deposits, and related assets and intangibles.²

Under 49 U.S.C. § 14303(b), the Board must approve and authorize a transaction that it finds consistent with the public interest, taking into consideration at least: (1) the effect of the proposed transaction on the adequacy of transportation to the public; (2) the total fixed charges that result; and (3) the interest of affected carrier employees. Academy has submitted information required by 49 C.F.R. § 1182.2, including information to demonstrate that the proposed transaction is consistent with the public interest under 49 U.S.C. § 14303(b) and a statement that Academy and its motor carrier affiliated companies exceeded \$2 million in gross operating revenues for the preceding 12-month period. See 49 U.S.C. § 14303(g).³

Academy and Corporate Coaches assert that this acquisition is in the public interest because the transaction will not have a materially detrimental impact on the adequacy of transportation services available to the public. The applicants also assert that the transaction would promote more efficiencies and greater economic use of existing transportation capital resources, and offer the general public continued service options to the customers of Corporate Coaches in need of such service. They also state that the proposed transaction would not result

¹ The applicants state that Francis Tedesco and Mark Tedesco are lifetime beneficiaries of the Tedesco Trust, which controls Academy Bus, LLC (New Jersey), a non-carrier and the sole member of three limited liability company passenger motor carriers: Academy Express, LLC, Academy Lines, and Number 22 Hillside, LLC (Academy Companies). However, according to the applicants, none of the Academy Companies are parties to the agreement with Corporate Coaches that is the subject of this application.

² The applicants also state that ABC Bus Inc. (ABC), a non-carrier motor coach dealer, shall purchase the remaining motor coaches owned by Corporate Coaches that are not purchased by Franmar. The applicants state that ABC is unaffiliated with the Academy Trust or the Tedesco Trust.

³ Applicants with gross operating revenues exceeding \$2 million are required to meet the requirements of 49 C.F.R. § 1182.

in an increase to fixed charges as the proposed transaction by the carriers is expected to be for cash. In addition, according to the applicants, the proposed transaction would also have no adverse effect on qualified Corporate Coaches employees at the locations from which Corporate Coaches operates because Academy will interview and offer employment opportunities to those employees, a necessity to permit Academy to continue to operate the acquired motor coach assets. Finally, the applicants state that the proposed transaction is unlikely to exert any anticompetitive impact because none of the operable motor vehicles will be scrapped by the seller, and no new buses will need to be purchased by Franmar at this time. Thus, the applicants state that the public would not lose service because the same number of buses would continue to operate.

On the basis of the application, the Board finds that the proposed acquisition is consistent with the public interest and should be tentatively approved and authorized. If any opposing comments are timely filed, these findings will be deemed vacated, and, unless a final decision can be made on the record as developed, a procedural schedule will be adopted to reconsider the application. See 49 C.F.R. § 1182.6(c). If no opposing comments are filed by the expiration of the comment period, this notice will take effect automatically and will be the final Board action.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

This action is categorically excluded from environmental review under 49 C.F.R. § 1105.6(c).

It is ordered:

1. The proposed transaction is approved and authorized, subject to the filing of opposing comments.
2. If opposing comments are timely filed, the findings made in this notice will be deemed as having been vacated.
3. This notice will be effective September 7, 2016, unless opposing comments are filed by September 6, 2016.
4. A copy of this notice will be served on: (1) the U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 1200 New Jersey Avenue, S.E., Washington, DC 20590; (2) the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue, N.W., Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 1200 New Jersey Avenue, S.E., Washington, DC 20590.

Decided: July 15, 2016.

By the Board, Chairman Elliott, Vice Chairman Miller, and Commissioner Begeman.